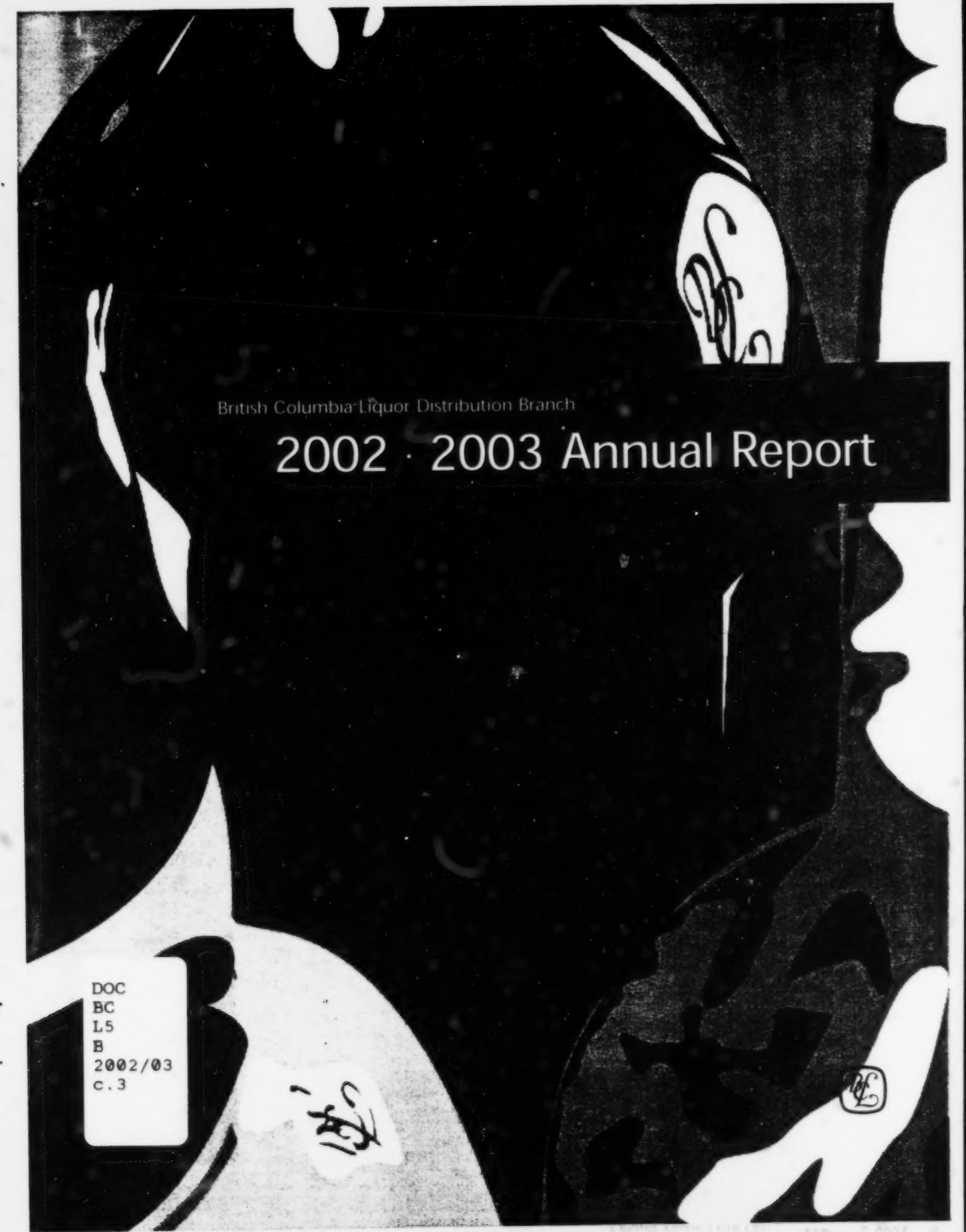

British Columbia Liquor Distribution Branch

2002 · 2003 Annual Report

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Table of Contents

Corporate Profile 2

Executive Organization 4

Message from the General Manager 5

Overview of Government Liquor Policy Changes 6

Year in Review 7
- Public Safety & Social Responsibility 7
- Financial Performance 8
- Customer Service 8
- Business Effectiveness 8
- Workplace Quality 8

Performance Report 9
- Performance Targets and Results 2002/03 9
- Opportunities and Challenges 2003/04 15
- Performance Targets 2003/04 16

Financial Report 17
- Management Discussion and Analysis 17
- Management Report 21
- Auditor's Report 22
- Audited Financial Statements 23
- Notes to the Financial Statements 27
- Store Sales by Region 31

Appendices 37

Glossary 38

Corporate Profile 2002/03

The British Columbia Liquor Distribution Branch (LDB) regulates the importation, distribution and retailing of beverage alcohol in the province of British Columbia by mandate of the Liquor Distribution Act.

The LDB moved to the Ministry of Solicitor General and Public Safety from the Ministry of Competition, Science and Enterprise on April 27, 2003.

As of March 31, 2003:

LDB resources included:

- 221 government liquor stores
- Two distribution centres
- Approximately 3,500 full and part-time employees

LDB business departments included:

- Retail Services (Store Operations, Distribution, Merchandise Services)
- Finance
- Human Resources
- Information Services
- Corporate Policy
- Corporate Initiatives & Change Strategy
- Loss Prevention
- Legal Services
- Audit
- Communications

The LDB oversaw retail operating agreements with:

- 230 rural agency stores
- 327 licensee retail stores
- 89 on-site industry stores (brewery, winery, or distillery outlets at a manufacturing site)
- 19 off-site industry stores (VQA wine stores, land-based winery stores, and one tourist wine shop)
- 12 independent wine stores
- Nine duty free stores

104-00260/

Mission and Vision

Mission

To ensure that liquor distribution and retailing in the province of British Columbia meets the needs of customers and is conducted in a socially responsible manner. To manage the revenue stream and maximize long-term economic benefits to British Columbians by regulating liquor retailing, warehousing and distribution.

Vision

The British Columbia Liquor Distribution Branch will be a facilitator of a progressive and expanded beverage alcohol distribution and retailing network. It will promote private sector investment and involvement in the beverage alcohol industry.

Values

Integrity

We take responsibility, and are fully accountable, for our actions, decisions and behaviour. We meet our commitments and obligations to co-workers, customers and business partners. We are open, honest and fair.

Quality of Service

We take pride in the quality of our work. We strive for excellence in serving customers and co-workers.

Mutual Respect

We recognize, support and appreciate others. We value their opinions even when they do not coincide with our own. We respond promptly to requests.

Teamwork

We recognize that by working together, within and across departments and work groups, we achieve more. We work together as a team in a spirit of cooperation and community toward our common goals.

Change

We embrace change. We encourage our people to find innovative and creative ways of doing things and enhancing and reconfirming their value to the organization.

Executive Organization

As of March 31, 2003

General Manager*
Jay Chambers

Executive Administrative Assistant
Cindy Dahlke

Executive Director, Finance*
Roger Bissoondatt

Executive Director, Retail Services*
Kelly Conrad

Legal Counsel*
Catherine Sloan

Executive Director, Human Resources*
Conny Nordin

Director, Store Operations
Gord Zelenika

Director, Distribution
Brian Tuckey

Director, Loss Prevention*
Donna Morse

Director, Merchandise Services
Michael Procopio

Director, Information Services*
Don Farley

Executive Director,
Corporate Initiatives and Change Strategy*
Charlie Ruddick

Director, Corporate Policy*
Gordon Hall

Chief Auditor
Rita Bittel

Manager, Communications
Kate Pasieka

**members of the Executive Management Committee*

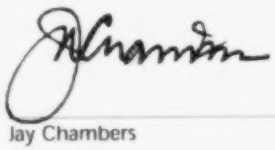
Message from the General Manager

The fiscal year 2002/03 ended with the British Columbia Liquor Distribution Branch delivering a net income of $654 million, compared to $637 million the previous year. Total beverage alcohol sales increased to $1.9 billion, a 5.2 per cent increase on the previous year.

A number of changes were made in fiscal year 2002/03. In April 2002, licensee retail stores were authorized to carry spirits; in August, the restriction was temporarily lifted on new applications for licensee retail stores; and in March 2003, government lifted the size restriction on licensee retail stores. By the end of fiscal year 2002/03, licensee retail stores increased by 37 for a total of 327 throughout the province, and rural agency stores increased by 86 for a total of 230. Five government liquor stores were permanently closed.

In response to the LDB's Core Services Review and the government's Deregulation Initiative, the LDB's regulatory burden on its stakeholders was decreased by 15 per cent. Changes included increased autonomy for private sector stores in everyday business decisions such as pricing, product promotions, days of sale and delivery service.

We are committed to continuing our excellent quality of service to customers, in addition to our high standard of public education and safety. Thank you to our employees, our business partners, and our customers for supporting us in responding to the challenge of change and the vision of a progressive and expanded beverage alcohol industry in British Columbia.



Jay Chambers
General Manager
August, 2003

Overview of Government Liquor Policy Changes

April 2002 Licensee retail stores (LRSs) authorized to carry spirits.

July 2002 Regulatory burden:

- There will be a significant reduction in existing regulations
- Any new regulations will focus on protecting public safety and revenue collection.

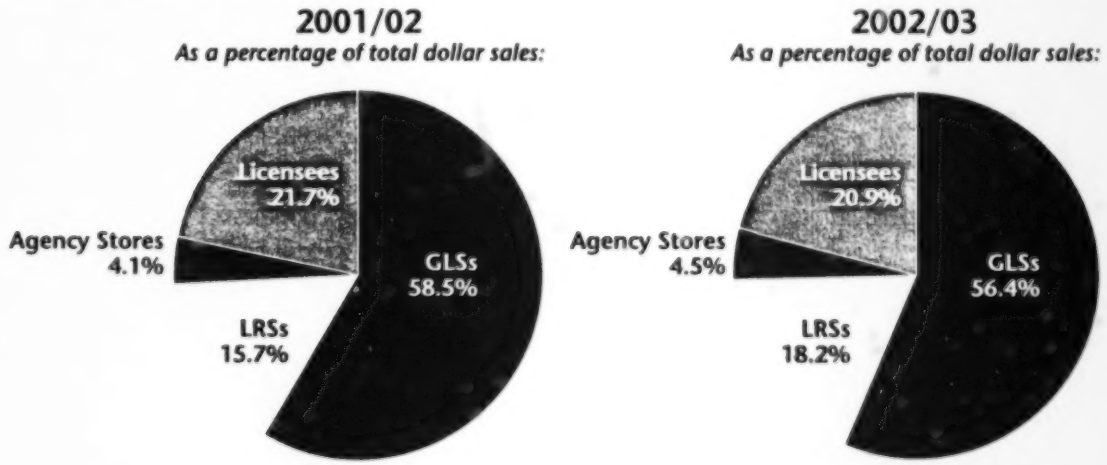
August 2002 Government lifted the restriction on new applications for LRSs:

- Applications were accepted by the Liquor Control and Licensing Branch (LCLB) from eligible licensees until November 29, 2002.
- Eligibility was restricted to persons holding an existing liquor primary licence (commercial bar), or persons who had an application for a commercial bar licence on file and had received approval in principle from the LCLB by November 25, 2002.

March 2003 The LCLB eliminated the size restriction on LRSs.

Due to the changes that went into effect over the course of the fiscal year for LRSs and RASs, the shift to increased private sector retailing made a strong showing, as illustrated in the chart below. The number of LRSs increased from 290 to 327 (an increase of 12.1 per cent) and RASs increased from 144 to 230 (an increase of 59.7 per cent). Five government liquor stores were permanently closed. Licensee sales decreased by 0.8 per cent.

Percentage of Retail Sales 2001 - 2003



Year in Review

To fulfill the mandate resulting from the Core Services Review and to achieve its vision, the Liquor Distribution Branch is committed to five high-level goals: Financial Performance, Customer Service, Business Effectiveness, Workplace Quality and Public Safety & Social Responsibility. The five goals are depicted on the following chart:

High-Level Goals

Public Safety & Social Responsibility
Achieve recognition in the industry and community in the promotion of responsible drinking and as an organization that is reducing its impact on the environment.

Financial Performance
Attain and maintain a net income of 38 per cent of annual gross sales.

Customer Service
Understand and meet the needs of our retail customers, business partners and internal customers by having the right product or service in the right place at the right time, delivered by friendly, courteous and knowledgeable staff.

Business Effectiveness
Manage internal business practices in a climate of continuous improvement, operating efficiencies and value added.

Workplace Quality
Employ a workforce of motivated and satisfied employees who pull together effectively in groups and teams and who are confident that their work environment is safe.

Public Safety and Social Responsibility

As well as incorporating public safety and social responsibility as part of its daily operations, the Liquor Distribution Branch sponsors a number of programs and initiatives throughout the year to further its public safety and social responsibility goals. Two of the responsible-use campaigns in the past fiscal year supported zero use of beverage alcohol by minors: Don't Buy for Minors and Support Dry Grad. The LDB's third annual Support Dry Grad campaign raised a total of $125,313 to help fund alcohol-free high school graduation celebrations throughout the province.

Other programs included: the Safe Ride Home program, which offered a safe ride home at 13 beer and wine festivals throughout the province; the Fetal Alcohol Syndrome awareness campaign to educate the public about the risks of drinking alcohol when pregnant; and the Wedding Planning Guide & HOST brochure to encourage responsible consumption at weddings and other special events.

Social responsibility programs included: the Beverage Container Stewardship program, which ensured a high level of beverage alcohol container recycling; the Twin Bear program, which invited customers to donate teddy bears to local community agencies in November and December; and a number of charity fundraising campaigns in which

LDB employees participated.

As the LDB implements the new retail model that increases private sector involvement in the sale of beverage alcohol, government will continue to promote the safe and responsible use of beverage alcohol.

Financial Performance

Total sales for the year were $1.9 billion, an $82 million, or 4.6 per cent increase over budget, and a $92 million, or 5.2 per cent increase over last fiscal year. This year's record sales can be attributed to the performance of all product categories with the exception of draught beer and non-alcoholic products. Spirit sales continued to be strong, showing increases of 5.8 per cent, largely due to the performance of vodka and gin. Both Vintners Quality Alliance (VQA) and Australian wines continued to improve their strong sales from last year, accompanying a 6.6 per cent increase in wine sales. Packaged imported beer had the greatest growth in the beer category—a growth of 13 per cent, alongside an increase of 4.8 per cent in packaged beer overall. In addition, there was a 5.4 per cent sales increase in ciders and coolers.

Customer Service

Due to a shift to more involvement from the private sector, a number of customer service initiatives in government liquor stores were deferred. However, a number of initiatives were completed, addressing the needs of customers and business partners.

Three Red Hot and New promotions presented new high-value (under $10) wines to government liquor store customers, generating $1.82 million in sales. BC Liquor Stores continued to showcase British Columbia's Vintners Quality Alliance (VQA) wines, VQA being a quality designation for wines made from 100 per cent B.C. grapes. This fiscal year the annual sales volume of VQA wines increased by 14 per cent. The BC Liquor Stores' Web site and the magazine Matters of Taste kept customers informed about government liquor store products and services.

Business Effectiveness

With the Core Services Review, there were many changes to business effectiveness goals, with some projects deferred and others added or amalgamated with new initiatives. Once the changes were established, improvements to internal business practices and operating efficiencies continued.

Improvements to supply chain management, including a planned upgrade of the new Retail Management System and the launch of the new Data Warehouse software, allowed the LDB to work more effectively with its supplier and agent community. Improvements to technical infrastructure continued, as did the development of the LDB e-business strategy, including the launch of the vendor Web site where suppliers can access listing applications, sales data, news and marketing opportunities.

As part of the provincial government initiative to eliminate unnecessary red tape, the LDB began streamlining its legislation, regulations, agreements, policies, manuals, reports and forms. By fiscal year-end, 15 per cent of regulations in six categories were reduced, retaining only those regulations necessary to protect public safety and government revenue.

Workplace Quality

Despite the many changes in fiscal year 2002/03, the LDB maintained a continuing focus on health, safety and employee development. The LDB's safety program was consolidated and the new workplace safety manual completed. Training programs included Store Manager Development, Customer Service/Product Knowledge, Corporate Safety and Health, Violence Prevention, Discrimination Prevention, Power Equipment Training, Technology Training, and a new Managing Change workshop series.

This year's target for the Short Term Illness and Injury Program (STIIP) claims costs—3.99 per cent or less of the annual payroll—was exceeded, with the year-end result of 2.68 per cent. For Workers' Compensation Board (WCB) claims costs, the target was .45 per cent of the annual payroll. The result at the end of the fiscal year was .46 per cent, with the variance due to increased WCB treatment and rehabilitation costs.

With the announcement of the government's LDB Core Services Review in July 2002, head office processes and positions were reviewed and 54 positions declared redundant. This impacted 47 employees, 37 of whom participated in voluntary exit programs. Workforce adjustment procedures and processes were initiated to prepare for further downsizing of the organization.

Performance Report

Performance Targets and Results 2002/03

The foundation for the Liquor Distribution Branch Three Year Corporate Strategy: A Service Plan for 2002 – 2004, to which this annual performance report responds, is the five high-level goals: Financial Performance, Customer Service, Business Effectiveness, Workplace Quality and Social Responsibility. (The corporate strategy refers to the last four of these as pillars — the four pillars which support the attainment of the branch's financial objectives.)

A number of strategic goals and initiatives were changed as a result of the Liquor Distribution Branch joining the Liquor Control and Licensing Branch in the Ministry of Public Safety and Solicitor General. Further revisions to the LDB's latest strategic plan will be determined as the fiscal year unfolds. It should be noted however, that for the purposes of this annual report, the LDB is reporting against the goals it initially set out in its 2002 – 2004 service plan.

The following Performance Report table shows the actual results for fiscal year 2002/03 compared to targets set. The stated objectives for fiscal year 2002/03 that were either not met or significantly changed due to the Core Services Review are noted and explained.

Goal **Financial Performance**

Attain and maintain a net income of 38 per cent of annual gross sales.

Objective		Measure	Target	Status at End of Fiscal 2002/03
F.1	**Total Sales & Net Income**	Total Sales	$1.80 billion	**Exceeded target** - $1.89 billion
		Net Income	$640 million	**Exceeded target** - $654 million Net income as a percentage of annual gross sales was 34.7%. This reduction mainly results from a provision for future estimated restructuring costs.
F.2	**Operating Expenses**	Total expenses	$232 million	**$255 million** Did not meet target as a result of increased sales and transition cost accruals.

Goal **Customer Service**

Understand and meet the needs of our retail customers, business partners and internal customers by having the right product or service in the right place at the right time delivered by friendly, courteous and knowledgeable staff.

Objective		Measure	Target	Status at End of Fiscal 2002/03
CS.1	**Customer Satisfaction**	Retail customer survey results	90% satisfaction	**Deferred due to a shift to more involvement from the private sector**
		Wholesale customer survey results	85% satisfaction	**Deferred due to a shift to more involvement from the private sector**
CS.2	**Marketing Strategy**	Define target markets	Completed Dec. 2002	**Deferred due to a shift to more involvement from the private sector**
		Plan developed; implementation begun.	Plan in place by March 2003	
CS.3	**Supplier & Industry Partnerships**	Meetings with industry groups	Two meetings per year with each of seven industry groups	**Achieved** The LDB worked closely with industry groups in fiscal year 2002/03, particularly as the results of the Core Services Review emerged. Monthly meetings are now occurring with two of the industry groups that are crucial to the transition to a new retail model.
		Product portfolio adjustments	Biannual review, analysis and adjustment	**Achieved**
		Joint category management initiatives	Minimum of three per year	**Achieved** These initiatives involved forming partnerships with leading suppliers in a number of key product areas. In fiscal year 2002/03, these areas were: British Columbia wines, refreshment beverages, Australian wines and US wines.
CS.4	**Retail Network**	Renovations, relocations, and/or new locations for GLSs	12	**Deferred due to a shift to more involvement from the private sector**
		Comprehensive retail strategy	In place by end of fiscal year 2003/04	

Goal **Business Effectiveness**

Manage internal business practices in a climate of continuous improvement, operating efficiencies and value added.

Objective		Measure	Target	Status at End of Fiscal 2002/03
BE.1	**Supply Chain Management**	In-stock (core products) in distribution centres	100% per year	**96.9%** Any stockouts were attributable to stock not being available at the supplier level.
		Inventory turns	Meet or exceed 14 per year	**Exceeded target** —14.5 turns
		Inventory levels of core products in store	100% of product available	**99%** The few store stockouts of core products experienced by the LDB this fiscal year were attributable to stock not being available at the supplier level.
		Stockout reports	Zero	Excellent supply chain management was due to the focus of suppliers, management and employees in this area and the technology advances that have been implemented over the last three years.
BE.2	**Store Efficiency**	Store efficiency	100%	**97.9%** Efficiency was impacted due to a significant increase in wholesale business moving through the store system as a result of the expansion of LRS and RAS operations in the province.
		Store employment costs as a percentage of sales	7.5%	**7.1%** Store employment costs as a percentage of retail sales, were lower than target due in part to higher retail sales.
BE.3	**Technology Improvements**	Enterprise Business Intelligence (Data Warehouse) project	Store labour & inventory Release 2	**Achieved**
		E-business	Warehouse labour & inventory Release 3	**Deferred due to a shift to more involvement from the private sector**
			Infrastructure implemented	**Partially achieved** The vendor Web site was launched in October 2002. However, the e-business project was deferred due to a shift to more involvement from the private sector.
		PeopleSoft applications	Web-enabled	**General Ledger/Accounts Payable completed** Personnel Payroll Integrated Information Management System (PPIIMS) on hold pending decision regarding integration with the shared services system.
		Data collection and reporting	Completed 2003/04	**Deferred due to a shift to more involvement from the private sector**
		Costing and pricing	Completed 2003/04	**No action was required this fiscal year**
		Single business number (SBN)	Integrated 2003-04	**SBN was moved to fiscal 2004/05**

Goal **Business Effectiveness** *continued*

Manage internal business practices in a climate of continuous improvement, operating efficiencies and value added.

Objective		Measure	Target	Status at End of Fiscal 2002/03
BE.4	**Emergency Planning & Management**	Emergency Management Program	Procedures tested twice	**Achieved** Tested in September 2002 and in previous fiscal year, March 2002.
		Business Continuation Planning	All plans finalized	**Store plans 98% completed** Head office is behind target due to competing priorities resulting from Core Services Review.
		Product Recall Protocols	Finalized by April, tested in October	**Substantially completed** Preliminary recall procedures were successfully tested in two live scenarios.

Goal **Workplace Quality**

Employ a workforce of motivated and satisfied employees who pull together effectively in groups and teams and who are confident that their work environment is safe.

Objective		Measure	Target	Status at End of Fiscal 2002/03
WQ.1	**Workforce Planning & Management**	Retirement planning process	Implemented and communicated	**Completed**
		Diversity & equity: - Number of employees trained	580 employees	**243 employees** The focus of diversity and equity training has been shifted to harassment intervention skills.
		- Representation of visible minorities among regular employees	Increase 2.5% over 2001 baseline	**0.2% increase from July 2001 to July 2002** Information is provided by BC Stats, the central statistical agency of the province of British Columbia, and is only available until July. The focus on outreach and equity hiring practices has shifted to workforce adjustment actions due to government and LDB downsizing and the LDB's Core Services Review changes.
		- In-house communications	Articles in 50% of issues	**Four articles in 11 issues** Under target due to pending changes.
		Workforce Planning Strategy	Strategy by Dec. 2002	**The last three measures have been deferred due to a shift to more involvement from the private sector**
		Succession Planning Process	In place by Dec. 2002	
		Career Path Process	Preliminary scope by March 31, 2003	

Goal **Workplace Quality** *continued*

Employ a workforce of motivated and satisfied employees who pull together effectively in groups and teams and who are confident that their work environment is safe.

Objective		Measure	Target	Status at End of Fiscal 2002/03
WQ.2	**Employee Health & Safety**	Completion of annual safety inspection/audit	100% annually by end of 1st quarter	**Completed** New training programs and report mechanisms were implemented. The LDB put considerable emphasis into training and safety program awareness during this fiscal year.
		Monthly safety inspection meeting	100%	**69%** Although this number falls short of the target of 100%, it had improved substantially by fiscal year-end.
		STIIP (Short Term Illness and Injury Plan) claims	3.99% or less of payroll	**Exceeded - 2.68% of payroll** The LDB continued to focus its efforts on early intervention in disability case management to assist employees in returning to work.
		WCB (Workers' Compensation Board) claims	0.45% or less of payroll	**0.46% of payroll** Variance due to increased WCB treatment and rehabilitation costs and increased injuries of employees at the supervisory level.
WQ.3	**Employee & Organizational Development**	Framework for evaluation of training, distance learning, and competency profiles	All complete by March 2003	**All targets for this objective have been deferred due to a shift to more involvement from the private sector**
		Number of person/days of training in Management Development & Customer Service	A total of 2,400 for each fiscal year	
WQ.4	**Internal Customer Service**	Internal customer satisfaction survey	Baseline established and improvement target set.	**Achieved** A sample of head office and store employees was surveyed regarding corporate values.

Goal **Social Responsibility**

Achieve recognition in the industry and community in the promotion of responsible drinking and as an organization that is reducing its impact on the environment.

Objective		Measure	Target	Status at End of Fiscal 2002/03
SR.1	**Waste Reduction**	Minimum annual container return rate	85%	**91% for 12 months ending Jan. 2003** The LDB achieved its highest return rate to date, 91%, exceeding the target by 6%.
		Diversion of LDB store returns to depots	50% over three years	**6.5% reduction of LDB store returns in first year** Initial target was unrealistic as there was no baseline data at the time the target was developed.
		Other waste	Reduction of waste in retail stores, head office and distribution centres	**These two projects were deferred due to a shift to more involvement from the private sector**
			Reduction in waste management costs	
SR. 2	**Responsible Use of Beverage Alcohol**	Public awareness	80% of survey respondents report awareness	**Deferred due to a shift to more involvement from the private sector**
		Service Refusal Tracking	Develop and implement tracking system	**Partially completed** The Service Refusal Tracking function is partially in place as part of the BC Liquor Stores cash register system. A reporting system must be developed prior to full implementation.

Opportunities and Challenges 2003/04

The Liquor Distribution Branch's new strategic direction, as detailed in the Core Services Review report, will present both opportunities and challenges in the upcoming fiscal year and beyond.

Likewise, the external economic and operating environment will be characterized by a range of issues and trends that represent both opportunities and challenges. These include:

Government Direction

Early in 2003/04, the LDB was moved to the Ministry of Public Safety and Solicitor General, bringing both the LDB and the Liquor Control and Licensing Branch (LCLB) together in one ministry. With this change, government will create a more operationally efficient system for liquor policy, planning and implementation.

In fiscal year 2002/03, the number of licensee retail stores in operation in British Columbia increased from 290 to 327. At present, the LCLB has granted pre-clearance approval on 298 applications. The increase in licensee retail stores will continue to impact the LDB's wholesale and retail operations going forward.

In 2003/04 the LDB will continue with the government's deregulation initiative. The LDB's target is a 50 per cent reduction by July 2003. After July 2003, the LDB will continue to monitor the operating environment to ensure that the regulatory burden is minimal.

The Retail Picture in Canada

Retail sales increased by 5.9 per cent in the first 11 months of 2002 compared to the previous year. The growth in Canada was mainly due to the higher value of large consumer durables, including new motor vehicles, furniture and appliances. Employment gains and continued low interest rates for the next few years are expected to support consumer demand for goods and services. Housing construction is expected to help drive consumer spending, which is expected to grow by 3.1 per cent in 2003 and 3.9 per cent in 2004.

Wholesale & Retail Beverage Alcohol Customers

The growth in rural agency stores (from 144 to 230 in fiscal year 2002/03) and licensee retail stores (from 290 to 327) has increased the number of privately operated retail outlets. New operators are experimenting with store design, product selection and retailing environments, in order to attract customers.

The retail customer profile has not changed significantly in the last year. Although the premiumization (people consuming less but buying better) trend is continuing, there has been a softening of sales for some higher priced wines due to the economy and the increasing availability of "value" wines (higher than expected quality for a competitive price).

The British Columbia Population

The British Columbia population is 4.1 million people and is projected to increase by approximately six per cent in five years, or just over one per cent per year. During the same period, the population aged 19 years and over is expected to increase from 75 per cent of the population to more than 77 per cent. Much of the growth will be in the age 45-and-over population segment. As this is a relatively affluent population group, further opportunities for the premiumization of beverage alcohol sales exist.

Environmental Impact

Since the expansion of the provincial deposit-refund/recycling system in 1998, the LDB has been responsible for the environmental stewardship of all beverage alcohol containers sold in the province, with the exception of refillable bottles and cans. The LDB will develop and implement strategies to ensure its beverage container recycling activities are cost neutral to government.

External Stakeholders

The LDB is the importer of record for all beverage alcohol in British Columbia, and remains one of the largest retailers of beverage alcohol in the world. As the transition to increased private sector involvement continues, the LDB will work closely with its external stakeholders (suppliers, agents, retailers, and customers) to ensure their needs are met, and to mitigate issues that arise during the transition.

Public Safety & Social Responsibility

As the transition progresses, the LDB, in conjunction with the LCLB and other agencies, must ensure that public safety issues, including over-consumption, the sale of alcohol to minors, and illicit sales, are effectively managed in the new liquor retail environment.

Performance Targets 2003/04

Following is a summary of those objectives and measures considered critical to the attainment of the branch's vision, mission and role in government during fiscal year 2003/04. These objectives and measures are extracted from the British Columbia Liquor Distribution Branch Three Year Corporate Strategy: A Service Plan for Fiscal Years 2003/04 - 2005/06. Objectives 2.3 and 3.1, however, have been deferred pending completion of the government review of distribution and retail operations.

Critical Objectives and Measures

Pillar	Objective	Measure	Target
Financial Performance	1.1 Revenue & Net Income	Net income	$655 million
Customer Service	2.3 Retail Network	Minimum number of GLSs to be closed	30 - 40*
Business Effectiveness	3.1 Distribution	Alternative Distribution Model	Completed by July 2003*
Workplace Quality	4.2 Health & Safety	STIIP claim costs	Not more than 4% of payroll
		WCB claim costs	Not more than 0.6% of payroll
Public Safety & Social Responsibility	5.1 Public Safety	Public Safety Strategy	Strategy in place by Sept. 30, 2003

** Deferred pending completion of the government review of distribution and retailing operations.*

Financial Report

Management Discussion and Analysis

Results of Operation

The LDB recorded its 11th consecutive year of sales growth with an average annual increase of 4.1 per cent. Net income for the year ended March 31, 2003, was $654 million, an increase of $18 million over the previous year and $14 million more than budget. Gross sales increased by $92 million over last year.

Key Indices

all $ figures in $000

	2003	2002	change	% change
Gross Sales	1,885,295	1,792,877	92,418	5.2
Net Income	654,217	636,673	17,544	2.8
Capital Expenditures	2,344	14,584	(12,240)	(83.9)
RMS Project	6,149	22,548	(16,399)	(72.7)
Customer Count	43,579,255	44,438,990	(859,735)	(1.9)
Gross Margin %	47.97%	48.15%		(0.4)
Operating Income to Sales	34.45%	35.22%		(2.2)
Operating Expenses to Sales	13.52%	12.93%		4.6
Net Income to Sales	34.70%	35.51%		(2.3)
Inventory Turnover	14.5 times	14.5 times		nil

Capital expenditures decreased by $29 million over last year, attributable to the completion of the Retail Management System (RMS) project; the previous year's inclusion of tenant improvements; and the cancellation of store improvement expenditures during the year.

Gross margin percentage dropped in fiscal year 2002/03 to 47.97 per cent from 48.15 per cent in the previous fiscal year, due to increased wholesale sales to LRSs and agency stores, which receive a 10 per cent discount.

Operating expenses were 13.52 per cent of sales for fiscal year 2002/03, which is 0.59 per cent greater than last year's 12.93 per cent of sales. Operating expenses included restructuring costs of $28 million, amounting to 1.48 per cent of sales. Operating expenses (excluding the restructuring costs) were 12.04 per cent of sales.

Net income was $654 million or 34.7 per cent of sales, down slightly from 35.51 per cent in fiscal year 2001/02. On a comparable basis to last year, net income to sales (before reflecting the effect of the restructuring costs) has increased to 36.2 per cent this year from 35.51 per cent in the previous year.

Growth in Sales

all $ figures in $000

Product	2003	2002	$ change	% change
Spirits	513,582	485,309	28,273	5.8
Wine	416,657	390,864	25,793	6.6
Packaged Beer	736,549	702,684	33,865	4.8
Draught Beer	116,506	117,241	(735)	(0.6)
Cider/Coolers	90,757	86,098	4,659	5.4
Special Orders/Non-alcoholic	11,244	10,681	563	5.3
	1,885,295	**1,792,877**	**92,418**	**5.2**

Growth in Sales

in ,000s of litres

Product	2003	2002	Volume change	% change
Spirits	20,786	19,776	1,010	5.1
Wine	37,172	35,691	1,481	4.1
Packaged Beer	210,796	207,633	3,163	1.5
Draught Beer	48,217	50,725	(2,508)	(4.9)
Cider/Coolers	19,524	18,864	660	3.5
Other	209	272	(63)	(23.2)
	336,704	**332,961**	**3,743**	**1.1**

Fiscal year 2002/03 gross sales of $1.9 billion increased 5.2 per cent over last year's $1.8 billion. The largest percentage increase was in the wine category at 6.6 per cent, which was $25.8 million higher than last year. Spirits were $28.3 million higher, representing a 5.8 per cent increase over fiscal year 2001/02, and packaged beer had the largest dollar-value increase of $33.9 million, or 4.8 per cent over last year. Cider and coolers were 5.4 per cent higher than last year, due to strong sales during the summer months.

Gross sales grew in all product categories of beverage alcohol in both sales dollars and volume, except draught beer. Packaged beer measured the greatest increase in both dollars ($33.9 million) and volume (3.2 million litres). The effect of premiumization contributed to the higher sales dollars in all categories.

Key Financial and Operating Statistics
For the five years ended March 31, 2003

all dollar figures in $000

	2002/2003	2001/2002	2000/2001	1999/2000	1998/1999
Sales	1,885,295	1,792,877	1,719,182	1,663,323	1,640,781
Cost of Sales	925,548	882,748	846,662	822,100	807,315
Gross Margin	904,330	863,270	827,561	798,528	790,146
Gross Margin (%)	47.97%	48.15%	48.14%	48.01%	48.16%
Operating Expenses	254,908	231,859	199,028	188,424	178,161
Operating Expenses to Sales (%)	13.52%	12.93%	11.58%	11.33%	10.86%
Operating Income	649,422	631,411	628,533	610,104	611,985
Operating Income to sales (%)	34.45%	35.22%	36.56%	36.68%	37.30%
Net Income	654,217	636,673	642,426	617,387	615,855
Net Income to Sales (%)	34.70%	35.51%	37.37%	37.12%	37.53%
Inventory Turnover	14.5	14.5	13.9	13.9	14.6

Provincial Sales by Source
For the five years ended March 31, 2003

as a percentage of total dollar sales

	2002/2003	2001/20002	2000/2001	1999/2000	1998/1999
Government Liquor Stores (%)	56.4	58.5	57.6	57.6	56.5
Licensee Retail Stores (%)	18.2	15.7	15.9	15.8	16.7
Agency Stores* (%)	4.5	4.1	4.2	4.1	4.1
Total Counter Sales (%)	79.1	78.3	77.7	77.5	77.3
Licensee Sales (%)	20.9	21.7	22.3	22.5	22.7
Total Sales (%)	100	100	100	100	100

**Agency stores refer to rural agency stores, consignment agency stores, independent wine stores, winery agency stores and tourist wine shops.*

Greater private sector retailing has resulted in an increase in market share for licensee retail stores from 15.7 to 18.2 per cent, and for agency stores from 4.1 to 4.5 per cent. Licensee sales market share declined by 0.8 per cent, and government liquor stores by 2.1 per cent.

Remittances to Government Agencies
For the five years ended March 31, 2003

in $000s

	2003	2002	2001	2000	1999
FEDERAL GOVERNMENT					
Custom Duties and Excise Tax	108,877	103,718	98,345	97,687	90,377
Goods and Services Tax	129,088	124,131	113,435	112,802	111,271
Total	**237,965**	**227,849**	**211,780**	**210,489**	**201,648**
PROVINCIAL GOVERNMENT					
LDB Net Income	654,217	636,673	642,425	617,387	615,855
Social Services Tax	105,100	105,044	99,175	95,159	92,691
Total	**759,317**	**741,717**	**741,600**	**712,546**	**708,546**
MUNICIPAL GOVERNMENT					
Property Taxes	4,827	4,716	4,575	4,756	4,296
Total Remittances	**1,002,109**	**974,282**	**957,955**	**927,791**	**914,490**

Note: The above amounts do not include taxes paid directly by external parties, namely: excise duty and taxes paid by the domestic brewers, wineries and distilleries; and goods and services tax (GST) and social services tax (SST) collected by licensees, agency stores and other licensed establishments.

Management Future Outlook

Sales in all categories are budgeted to increase during fiscal 2003/04. Spirits, wine, imported beer, and coolers are expected to maintain their strong performance from the current year.

Cost-control measures will continue to be emphasized as the LDB transitions to increased private sector involvement. Operating expenses (excluding transition cost accruals) as a percentage of sales are expected to be 12.43 per cent, which is greater than fiscal year 2002/03's 12.04 percent. This increase is attributable to an employment increase of 3.1 per cent, due to the LDB's collective agreement. Transition cost accruals will be incurred as the LDB moves to the new model. Actual costs will be dependent on the decision as to the future model of liquor retailing and distribution in British Columbia. Capital expenditures will be minimized pending that decision.

Management's Responsibility for Financial Reporting

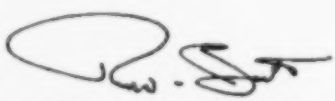
The financial statements of the British Columbia Liquor Distribution Branch have been prepared by management in accordance with Canadian generally accepted accounting principles. Any financial information contained elsewhere in the annual report has been reviewed to ensure consistency with the financial statements.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and financial records are properly maintained to facilitate the preparation of financial statements in a timely manner.

The Liquor Distribution Branch audit division performs internal audits designed to test the adequacy and consistency of internal controls, practices and procedures.

The Auditor General of British Columbia has performed an independent audit of the financial statements of the Liquor Distribution Branch. The Auditor's Report outlines the scope of this independent audit and expresses an opinion on the financial statements of the Liquor Distribution Branch.

Jay Chambers
General Manager



Roger M. Bissoondatt, CA, CMA
Executive Director, Finance

Vancouver, British Columbia
May 23, 2003

Report of the Auditor General of British Columbia

To the Minister of Public Safety and Solicitor General,
Province of British Columbia

I have audited the balance sheet of the *British Columbia Liquor Distribution Branch* as at March 31, 2003 and the statements of operations, changes in advance due from the Province of British Columbia and cash flows for the year then ended. These financial statements are the responsibility of the Branch's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the *British Columbia Liquor Distribution Branch* as at March 31, 2003, and the results of its operations, changes in advance due from the Province of British Columbia and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Wayne Strelioff

Wayne Strelioff, CA
Auditor General

Victoria, British Columbia
May 23, 2003

Audited Financial Statements

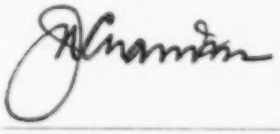
BALANCE SHEET

(in $000s)

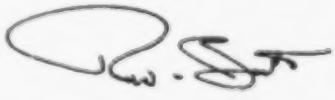
March 31,	2003	2002
ASSETS		
CURRENT ASSETS		
Cash	---	4,946
Accounts receivable	5,240	5,427
Inventories	64,897	62,691
Prepaid expenses	3,036	2,769
Due from Province of British Columbia	30,338	2,304
	103,511	78,137
CAPITAL ASSETS (note 3)	37,476	47,280
	140,987	**125,417**
LIABILITIES		
CURRENT LIABILITIES		
Bank indebtedness	1,974	---
Accounts payable and accrued liabilities	97,528	106,212
Current portion of restructuring costs	9,026	6,066
Current portion of tenant improvement loans	1,153	1,377
Current portion of capital lease	290	262
	109,971	113,917
LONG TERM LIABILITIES		
Restructuring costs (note 5)	23,327	---
Tenant improvement loans (note 6)	6,030	9,551
Obligation under capital lease (note 7)	1,659	1,949
	140,987	**125,417**

Commitments and Contingent items (notes 8 & 9)

Approved by:



Jay Chambers
General Manager



Roger M. Bissoondatt, CA, CMA
Executive Director, Finance

The accompanying notes and supplementary schedule are an integral part of these financial statements.

STATEMENT OF OPERATIONS

(in $000s)

Year Ended March 31,	2003	2002
Sales (note 4)	1,885,295	1,792,877
Less: commissions & discounts	55,417	46,859
	1,829,878	1,746,018
Cost of merchandise sold	925,548	882,748
Gross margin	904,330	863,270
Operating expenses (schedule)	254,908	231,859
	649,422	631,411
Other income	4,795	5,262
Net income	**654,217**	**636,673**

STATEMENT OF ADVANCE DUE FROM PROVINCE OF BRITISH COLUMBIA

(in $000s)

Year Ended March 31,	2003	2002
Balance beginning of year	2,304	(2,635)
Net Income	(654,217)	(636,673)
Payments to Province of British Columbia	682,251	641,612
Balance end of year	**30,338**	**2,304**

The accompanying notes and supplementary schedule are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(in $000s)

Year Ended March 31,	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	1,830,065	1,747,326
Cash payments to Provincial Treasury	(682,251)	(641,612)
Cash paid to suppliers and employees	(1,146,034)	(1,091,978)
Cash receipts from other income	4,633	5,233
Interest paid on capital lease and loans	(995)	(2,164)
CASH FLOWS FROM OPERATING ACTIVITIES	5,418	16,805
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of capital assets excluding RMS	(672)	(14,584)
Acquisition of RMS capital assets & capital project	(7,821)	(22,847)
Proceeds from disposal of capital assets	162	29
CASH FLOWS (USED IN) INVESTING ACTIVITIES	(8,331)	(37,402)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on capital lease	(262)	(41)
Tenant improvement loans	(3,745)	10,928
CASH FLOWS (USED IN) FROM FINANCING ACTIVITIES	(4,007)	10,887
NET (DECREASE) IN CASH	(6,920)	(9,710)
CASH BEGINNING OF YEAR	4,946	14,656
(BANK INDEBTEDNESS) CASH END OF YEAR	**(1,974)**	**4,946**

The accompanying notes and supplementary schedule are an integral part of these financial statements.

SCHEDULE OF OPERATING EXPENSES

(in $000s)

Year Ended March 31,	2003	2002
Salaries, wages and benefits (note 5)	165,753	137,673
Rents	25,077	22,646
Professional services	2,158	2,488
Repairs and maintenance	4,351	4,639
Freight to stores	4,568	5,128
Amortization (note 5)	18,298	18,727
Light, water and fuel	3,849	3,718
Container recycling costs	9,956	10,511
Other operating expenses	636	5,403
Stationery and supplies	3,172	3,337
Merchandising	2,139	2,535
Bank charges	8,114	6,427
Data processing	1,935	2,529
Telephone	1,539	1,561
Travel	701	714
Loss prevention	991	931
Warehouse equipment costs	676	728
Interest on capital lease and loans	995	2,164
	254,908	**231,859**

Notes to the Financial Statements

March 31, 2003
(Tabular amounts in $000s)

1. PURPOSE OF THE BRANCH

The British Columbia Liquor Distribution Branch (Branch) obtains its authority for operation from the *British Columbia Liquor Distribution Act (Act)*. As stated in Section 2 of this Act, the branch has the exclusive right to purchase liquor for resale and reuse in the Province in accordance with the provisions of the *Importation of Intoxicating Liquors Act (Canada)*.

2. SIGNIFICANT ACCOUNTING POLICIES

As prescribed by Section 30(3)(b) of the act, the financial statements of the Branch are prepared in accordance with Canadian generally accepted accounting principles.

Significant accounting policies are as follows:

Inventories

Inventories are valued at cost on a first in first out basis, with cost comprising of supplier invoiced value, freight, duties and taxes.

Capital Assets

Capital assets are stated at cost and are amortized on a straight line basis as follows:

Buildings
7.5 per cent per annum.

Leasehold improvements
A minimum of 10 per cent per annum or a rate sufficient to amortize the cost over the remaining life of the respective lease.

Furniture, fixtures, vehicles and equipment
25 per cent per annum.

Retail Management System

All costs of development, construction and other costs associated with the development of the Retail Management System have been capitalized and are amortized at 25 per cent per annum.

Capital projects

All costs of development for Capital projects are capitalized. At the point in time when the project is substantially completed, it is amortized at 25 per cent per annum.

Leases

Assets recorded under capital leases are amortized on a straight-line basis over the term of the lease. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred.

Related Party Transactions

The Branch is related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations. Transactions with these entities, as well as other transactions in which Provincial Government intervention is a component, are generally considered to be in the normal course of operations and are recorded at the exchange amount, unless disclosed separately in these financial statements.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

3. CAPITAL ASSETS

	2003			2002
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	1,073	---	1,073	1,073
Buildings	17,893	15,151	2,742	3,263
Tenant improvements	18,369	12,894	5,475	7,503
Furniture, fixtures, vehicles & equipment	24,702	21,991	2,711	4,644
Office furnishings under capital lease	3,627	2,418	1,209	1,451
Retail Management System	44,878	22,352	22,526	29,047
Capital projects	928	232	696	299
Capital projects under development	1,044	---	1,044	---
	112,514	**75,038**	**37,476**	**47,280**

4. SALES

Total sales reported include sales to retail customers, licensed establishments, licensee retail stores and agency stores. These amounts do not include subsequent resale by licensed establishments, licensee retail stores and agency stores.

	2003	2002
Retail customers	1,063,329	1,049,078
Licensee retail stores	343,679	280,583
Licensed establishments	393,813	389,584
Agency stores	84,474	73,632
	1,885,295	**1,792,877**

5. RESTRUCTURING COSTS

The Core Services Review of the LDB concluded that it is not a core service of government to be directly involved in the warehousing, distribution and retailing of beverage alcohol products. The LDB's 2004 - 2006 service plan includes a minimum of 100 to 130 store closures over the next three years and the closure of its distribution centres by July 2004.

Provisions of $32.4 million for severance costs are reflected in these statements as follows:

	2003	2002
Opening balance beginning year	6,066	---
Additions during the year	26,287	6,066
	32,353	**6,066**

Additions during the year were expensed to salaries. The current portion of the severance cost is $9 million.

The expense recorded as accelerated amortization for tenant improvements and the retail management system, as a result of exiting the retailing of beverage alcohol, is $2.1 million.

6. TENANT IMPROVEMENT LOANS

As at March 31, 2003, the Branch has tenant improvements loans of $7.2 million financed through landlords. The range of interest rates is 3.3 per cent to 20.0 per cent with loans expiring from July 2003 to June 2014. The Principal payments due are as follows:

Year ending March 31	
2004	1,153
2005	1,028
2006	1,127
2007	931
2008	926
Subsequent years	2,018
	7,183

7. OBLIGATION UNDER CAPITAL LEASE

In the fiscal year 1994, the Branch entered into a 15-year capital lease expiring in the fiscal year 2009 for certain of its head office tenant improvements and office furnishings. The following is a schedule of future minimum lease payments under the capital lease expiring July 31, 2008, together with the balance of the obligation under capital lease:

Year ending March 31	
2004	475
2005	475
2006	475
2007	475
2008	475
Subsequent years	158
	2,533
Less: imputed interest at 10%	(584)
current portion	(290)
	1,659

8. COMMITMENTS

Future commitments for operating leases for Branch premises and equipment are as follows:

Year ending March 31	
2004	15,533
2005	12,242
2006	11,052
2007	9,522
2008	8,469
Subsequent years	18,971
	75,789

9. CONTINGENT ITEMS

The Branch has authorized suppliers' agents to import and warehouse liquor for subsequent purchase by the Branch. Under this program, the Branch has a contractual obligation to purchase all inventories held by the agent should the agent opt out of the program. As at March 31, 2003, the value of agents' inventories totalled approximately $43.8 million (2002 - $36.9 million) and the future liability for related federal excise taxes is $9 million (2002 - $8 million).

The Branch is the defendant in legal actions and it is not expected that the ultimate outcome of these claims will have a material effect on the financial position of the corporation.

10. EMPLOYEES' BENEFIT PLANS

The Branch and its employees contribute to the Public Service Pension Plan. The Plan is a multi-employer defined benefit pension plan. Under joint trusteeship, unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the plan.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The latest valuation as at March 31, 2002 indicated a $546 million surplus for funding purposes. The actuary does not attribute portions of the surplus to individual employers.

Employees are also entitled to specific retirement benefits as provided for under collective agreements and terms of employment. The future liability for this obligation amounts to $1,286,526 (2002 - $1,371,682) which represents future employees' retirement benefits outside of the Public Service Pension Plan. The expense adjustment recorded in the year is a recovery of $23,227 (2002 - expense of $1,284,700).

11. FINANCIAL INSTRUMENTS

The Liquor Distribution Branch's financial instruments consist of cash, accounts receivable, advance due to/from the Province of British Columbia, accounts payable and accrued liabilities, tenant improvement loan, and capital lease. Unless otherwise noted, it is management's opinion that the Branch is not exposed to significant interest, currency or credit risks arising from these financial instruments.

12. COMPARATIVE FIGURES

The figures for the prior year have been reclassified to conform to the presentation adopted for the current year.

Store Sales by Region

Store Name	Number	Sales		Litre Product Mix				Litre Product Mix Percentage			
		Retail $	Litres	Spirits	Wine	Beer	Cider/ Coolers	Spirits	Wine	Beer	Cider/ Coolers
VANCOUVER ISLAND /COAST											
Alert Bay	225	604,991	106,099	7,847	11,325	71,008	15,919	7.4%	10.7%	66.9%	15.0%
Bella Bella	171	438,000	68,796	8,002	2,886	49,337	8,571	11.6%	4.2%	71.7%	12.5%
Bella Coola	232	1,215,312	210,035	16,823	18,862	154,267	20,083	8.0%	9.0%	73.4%	9.6%
Campbell River Stores											
Campbell River	005	11,542,722	1,558,106	190,519	254,326	949,440	163,821	12.2%	16.3%	61.0%	10.5%
Willow Point	185	3,437,112	556,823	53,089	67,851	388,817	47,066	9.5%	12.2%	69.8%	8.5%
Chemainus	206	2,069,870	334,295	30,946	48,596	230,819	23,934	9.3%	14.5%	69.0%	7.2%
Comox	235	5,877,007	768,683	96,423	167,608	423,712	80,940	12.5%	21.8%	55.2%	10.5%
Courtenay	010	10,841,442	1,420,093	182,607	287,830	789,743	159,913	12.9%	20.3%	55.5%	11.3%
Cumberland	008	1,079,776	219,727	12,584	15,009	174,561	17,573	5.7%	6.8%	79.5%	8.0%
Duncan	012	12,903,137	1,960,386	193,005	300,839	1,233,685	232,857	9.8%	15.3%	63.0%	11.9%
Gabriola Island	134	1,850,329	283,213	21,843	54,586	186,332	20,452	7.7%	19.3%	65.8%	7.2%
Ganges	204	5,235,307	629,165	65,432	181,632	331,535	50,566	10.4%	28.9%	52.7%	8.0%
Gold River	055	770,317	152,514	9,219	8,351	124,140	10,804	6.0%	5.5%	81.4%	7.1%
Ladysmith	024	3,996,581	621,664	63,695	84,676	410,488	62,805	10.2%	13.6%	66.1%	10.1%
Lake Cowichan	067	2,581,485	461,256	35,941	39,258	331,064	54,993	7.8%	8.5%	71.8%	11.9%
Mill Bay	173	4,702,562	661,470	70,344	116,730	415,671	58,725	10.6%	17.6%	62.9%	8.9%
Nanaimo Stores											
Harbour Park	033	5,244,138	735,571	88,418	123,862	467,631	55,660	12.0%	16.8%	63.6%	7.6%
Country Club	159	3,322,190	426,509	58,408	89,755	244,722	33,624	13.7%	21.0%	57.4%	7.9%
Longwood Station	188	6,528,930	849,935	102,466	188,544	500,052	58,873	12.1%	22.2%	58.8%	6.9%
Terminal Park	243	14,522,319	1,727,357	272,094	347,482	840,794	266,987	15.8%	20.1%	48.6%	15.5%
Parksville Stores											
Parksville	042	5,887,008	855,408	85,836	163,609	543,947	62,016	10.0%	19.1%	63.7%	7.2%
Parksville North	157	5,508,988	767,358	90,684	151,432	444,732	80,510	11.8%	19.7%	58.0%	10.5%
Pender Island	155	1,490,838	217,078	16,897	44,733	137,955	17,493	7.8%	20.6%	63.5%	8.1%
Port Alberni Stores											
Port Alberni	040	5,887,570	887,739	101,447	109,295	584,914	92,083	11.4%	12.3%	65.9%	10.4%
Pt. Alberni North	104	3,682,776	617,368	55,015	72,552	434,060	55,741	8.9%	11.8%	70.3%	9.0%
Port Alice	128	575,301	103,857	7,866	7,262	82,251	6,478	7.6%	7.0%	79.2%	6.2%
Port Hardy	236	2,808,439	473,228	39,250	57,114	320,010	56,854	8.3%	12.1%	67.6%	12.0%
Port McNeill	115	2,565,971	401,832	39,723	45,574	277,704	38,831	9.9%	11.3%	69.1%	9.7%
Powell River	041	6,775,022	977,795	110,331	160,928	570,559	135,977	11.3%	16.5%	58.3%	13.9%
Qualicum	034	4,802,347	670,924	70,952	151,608	400,156	48,208	10.6%	22.6%	59.6%	7.2%
Sidney	050	9,526,794	1,177,274	134,044	324,606	639,825	78,799	11.4%	27.6%	54.3%	6.7%
Sooke	229	4,047,225	644,247	57,566	86,721	440,368	59,592	8.9%	13.5%	68.4%	9.2%
Tahsis	056	267,565	49,987	3,435	3,815	38,560	4,177	6.9%	7.6%	77.1%	8.4%
Tofino	118	2,782,834	353,816	33,647	64,711	229,417	26,041	9.5%	18.3%	64.8%	7.4%
Ucluelet	216	1,522,430	265,117	17,083	31,508	196,095	20,431	6.4%	11.9%	74.0%	7.7%

Store Name	Number	Sales		Litre Product Mix				Litre Product Mix Percentage			
		Retail $	Litres	Spirits	Wine	Beer	Cider/ Coolers	Spirits	Wine	Beer	Cider/ Coolers
Victoria (Greater) Stores											
Trafalgar Square	059	5,089,200	749,770	67,444	149,452	481,280	51,594	9.0%	19.9%	64.2%	6.9%
Esquimalt	068	3,370,042	560,293	48,581	72,518	399,134	40,060	8.7%	12.9%	71.3%	7.1%
Gorge and Tillicum	124	9,576,431	1,589,779	131,484	203,810	1,134,672	119,813	8.3%	12.8%	71.4%	7.5%
Langford	125	7,751,747	1,249,246	111,109	169,980	869,926	98,231	8.9%	13.6%	69.6%	7.9%
Cedar Hill	140	6,519,034	885,802	93,621	203,339	530,970	57,872	10.6%	23.0%	59.9%	6.5%
James Bay	150	3,534,047	480,048	49,129	119,910	285,692	25,317	10.2%	25.0%	59.5%	5.3%
Blanshard Square	161	9,516,537	1,544,924	122,952	196,062	1,112,080	113,830	8.0%	12.7%	71.9%	7.4%
Fairfield	178	4,915,530	601,479	55,443	198,053	318,833	29,150	9.2%	32.9%	53.1%	4.8%
Broadmead Village	181	7,605,033	976,964	100,606	250,494	558,622	67,242	10.3%	25.6%	57.2%	6.9%
Victoria Bay Centre	184	4,649,957	567,654	70,909	113,207	330,190	53,348	12.5%	19.9%	58.2%	9.4%
Fort Street	218	16,341,062	1,825,118	167,633	537,785	1,017,818	101,882	9.2%	29.5%	55.7%	5.6%
Colwood	219	4,191,557	694,565	57,942	88,524	491,853	56,246	8.3%	12.7%	70.9%	8.1%
Government Street Licensee	231	20,014,929	1,877,917	326,257	572,909	570,454	408,297	17.4%	30.5%	30.4%	21.7%
Saanich	242	8,358,366	1,247,892	113,050	218,612	823,842	92,388	9.1%	17.5%	66.0%	7.4%
MAINLAND/SOUTHWEST											
Abbotsford Stores											
Abbotsford	001	7,553,131	1,004,442	138,098	165,420	589,776	111,148	13.7%	16.5%	58.7%	11.1%
Abbotsford Village	189	6,663,079	971,123	93,215	164,180	633,647	80,081	9.6%	16.9%	65.3%	8.2%
Agassiz	064	3,034,778	464,582	41,698	67,959	304,678	50,247	9.0%	14.6%	65.6%	10.8%
Burnaby Stores											
Lougheed Plaza	077	10,387,980	1,429,908	150,807	268,001	879,200	131,900	10.5%	18.7%	61.6%	9.2%
Royal Oak Rumble	121	5,033,043	680,902	78,730	124,152	412,805	65,215	11.6%	18.2%	60.6%	9.6%
Kensington	137	4,340,925	631,651	53,370	128,330	412,137	37,814	8.4%	20.3%	65.3%	6.0%
Brentwood	187	3,056,138	407,718	41,690	78,984	261,649	25,395	10.2%	19.4%	64.2%	6.2%
South Burnaby	203	5,540,061	762,955	78,070	157,330	474,348	53,207	10.2%	20.6%	62.2%	7.0%
North Burnaby	217	8,150,505	1,209,385	110,413	209,208	811,651	78,113	9.1%	17.3%	67.1%	6.5%
Middlegate	220	8,233,188	1,280,513	118,739	171,987	909,568	80,219	9.3%	13.4%	71.0%	6.3%
Chilliwack Stores											
Chilliwack	007	12,089,028	1,844,088	198,830	207,799	1,199,468	237,991	10.8%	11.3%	65.0%	12.9%
Sardis	170	8,452,331	1,294,001	132,580	184,776	870,898	105,747	10.2%	14.3%	67.3%	8.2%
Clearbrook	149	10,976,623	1,401,747	230,468	193,237	846,606	131,436	16.4%	13.8%	60.4%	9.4%
Coquitlam Stores											
Como Lake	153	4,584,193	655,604	59,990	131,436	424,669	39,509	9.2%	20.0%	64.8%	6.0%
Austin Road	200	6,831,905	1,060,125	92,346	169,957	731,746	66,076	8.7%	16.0%	69.1%	6.2%
Delta Stores											
Ladner	025	8,408,865	1,119,537	125,634	253,995	650,905	89,003	11.2%	22.7%	58.2%	7.9%
Tsawwassen	098	7,918,628	1,004,013	96,783	283,623	564,330	59,277	9.6%	28.2%	56.3%	5.9%
Scottsdale	145	10,701,296	1,298,115	214,688	228,633	774,634	80,160	16.5%	17.6%	59.7%	6.2%
Kennedy Heights	241	11,891,323	1,544,989	254,184	169,410	988,386	133,009	16.5%	11.0%	63.9%	8.6%
Gibsons	080	5,519,622	819,718	74,482	152,943	534,640	57,653	9.1%	18.7%	65.2%	7.0%
Haney	065	9,774,304	1,344,593	168,873	218,321	809,772	147,627	12.6%	16.2%	60.2%	11.0%
Hope	071	3,716,015	662,972	51,574	57,292	490,356	63,750	7.8%	8.6%	74.0%	9.6%

Store Name	Number	Sales Retail $	Sales Litres	Litre Product Mix Spirits	Litre Product Mix Wine	Litre Product Mix Beer	Litre Product Mix Cider/ Coolers	Litre Product Mix Percentage Spirits	Litre Product Mix Percentage Wine	Litre Product Mix Percentage Beer	Litre Product Mix Percentage Cider/ Coolers
Langley Stores											
Aldergrove	109	7,302,478	1,112,653	120,636	139,875	744,742	107,400	10.8%	12.6%	66.9%	9.7%
Langley	022	8,936,048	1,234,632	149,408	229,105	742,164	113,955	12.1%	18.6%	60.1%	9.2%
Fort Langley	127	2,210,835	350,203	28,251	53,959	244,164	23,829	8.1%	15.4%	69.7%	6.8%
Willowbrook	158	12,958,192	1,722,456	211,656	304,858	1,019,312	186,630	12.3%	17.7%	59.2%	10.8%
Walnut Grove	186	5,855,274	779,566	85,652	154,027	461,649	78,238	11.0%	19.8%	59.2%	10.0%
Lillooet	023	2,035,832	365,298	25,897	32,937	269,352	37,112	7.1%	9.0%	73.7%	10.2%
Madeira Park	093	2,055,020	296,870	29,571	51,653	190,709	24,937	10.0%	17.4%	64.2%	8.4%
West Maple Ridge	164	9,199,229	1,351,833	142,495	210,407	874,940	123,991	10.5%	15.6%	64.7%	9.2%
Mission Plaza	027	9,683,969	1,457,410	164,866	168,852	983,682	140,010	11.3%	11.6%	67.5%	9.6%
New Westminster Stores											
New Westminster	031	10,804,578	1,530,611	174,710	236,897	989,978	129,026	11.4%	15.5%	64.7%	8.4%
Royal Square	097	6,374,551	855,758	99,330	172,064	490,502	93,862	11.6%	20.1%	57.3%	11.0%
North Vancouver Stores											
North Vancouver	030	9,451,607	1,334,003	127,741	273,798	803,652	128,812	9.6%	20.5%	60.2%	9.7%
Westview	107	12,111,366	1,577,456	132,408	401,755	954,617	88,676	8.4%	25.5%	60.5%	5.6%
Dollarton Village	133	5,532,271	712,450	59,310	202,304	406,094	44,742	8.3%	28.4%	57.0%	6.3%
Capilano Mall	152	5,358,203	671,883	69,114	188,857	364,077	49,835	10.3%	28.1%	54.2%	7.4%
Lynn Valley	247	10,860,849	1,446,635	130,352	365,700	844,468	106,115	9.0%	25.3%	58.4%	7.3%
Pemberton	101	2,825,305	504,497	27,567	53,037	371,303	52,590	5.5%	10.5%	73.6%	10.4%
Pitt Meadows	165	4,212,342	571,662	72,679	89,059	340,790	69,134	12.7%	15.6%	59.6%	12.1%
Port Coquitlam Stores											
Port Coquitlam	011	6,583,716	975,393	101,980	140,333	626,455	106,625	10.5%	14.4%	64.2%	10.9%
Prairie Mall	089	4,480,682	756,538	60,173	90,103	552,183	54,079	8.0%	11.9%	73.0%	7.1%
Westwood Centre	163	16,086,699	2,131,424	210,794	401,005	1,342,725	176,900	9.9%	18.8%	63.0%	8.3%
Port Moody	205	5,121,153	714,736	65,331	158,559	425,046	65,800	9.1%	22.2%	59.5%	9.2%
Richmond Stores											
Brighouse	076	10,926,109	1,477,486	137,222	282,736	968,663	88,865	9.3%	19.1%	65.6%	6.0%
Ironwood	120	5,404,120	732,665	76,569	150,811	442,060	63,225	10.5%	20.6%	60.3%	8.6%
Blundell	176	7,527,392	949,762	92,735	246,469	539,494	71,064	9.8%	26.0%	56.7%	7.5%
Garden City	180	4,240,071	596,134	61,684	114,423	386,317	33,710	10.3%	19.2%	64.8%	5.7%
Richmond SeaFair	244	7,865,317	1,118,158	103,092	235,146	683,770	96,150	9.2%	21.0%	61.2%	8.6%
Vancouver Airport	193	819,374	69,962	10,196	23,407	33,255	3,104	14.6%	33.5%	47.5%	4.4%
Sechelt	230	6,209,411	841,695	88,486	192,240	485,009	75,960	10.5%	22.8%	57.7%	9.0%
Squamish	208	6,172,383	957,939	86,231	122,525	654,660	94,523	9.0%	12.8%	68.3%	9.9%
Surrey Stores											
Cloverdale	070	7,292,699	1,056,378	120,448	149,975	681,541	104,414	11.4%	14.2%	64.5%	9.9%
Ocean Park	110	5,283,133	641,436	62,407	192,582	350,641	35,806	9.7%	30.0%	54.7%	5.6%
North Surrey	116	9,174,267	1,210,482	200,863	111,705	764,836	133,078	16.6%	9.2%	63.2%	11.0%
Whalley	122	8,955,628	1,388,303	149,436	144,137	945,305	149,425	10.8%	10.4%	68.0%	10.8%
Newton	172	10,889,008	1,475,697	220,804	174,926	952,398	127,569	15.0%	11.9%	64.5%	8.6%
Fleetwood	182	10,002,018	1,375,926	177,152	206,002	885,273	107,499	12.9%	15.0%	64.3%	7.8%
Peninsula Village	183	11,933,759	1,588,765	143,394	366,372	997,175	81,824	9.0%	23.1%	62.7%	5.2%
Guildford	240	8,621,140	1,121,678	150,563	190,326	668,489	112,300	13.4%	17.0%	59.6%	10.0%

Store Name	Number	Sales		Litre Product Mix				Litre Product Mix Percentage			
		Retail $	Litres	Spirits	Wine	Beer	Cider/ Coolers	Spirits	Wine	Beer	Cider/ Coolers
Vancouver Stores											
Marpole	038	5,482,956	761,413	66,347	156,455	495,679	42,932	8.7%	20.5%	65.2%	5.6%
Harbour Centre	053	4,592,964	628,693	68,983	92,286	427,043	40,381	11.0%	14.7%	67.9%	6.4%
Hastings and Slocan	058	6,825,522	1,109,463	84,959	144,583	787,077	92,844	7.7%	13.0%	70.9%	8.4%
Victoria Drive	087	6,346,349	966,968	99,159	107,369	698,513	61,927	10.3%	11.1%	72.2%	6.4%
Jericho Village	090	10,031,221	1,234,334	105,581	320,709	734,961	73,083	8.6%	26.0%	59.5%	5.9%
Bute Street	094	5,901,375	876,413	73,057	152,454	582,896	68,006	8.3%	17.4%	66.5%	7.8%
Broadway & Lillooet Licensee	100	85,589,236	5,336,507	1,445,565	2,265,872	677,964	947,106	27.1%	42.5%	12.7%	17.7%
Dunbar	102	9,463,487	998,937	69,859	352,281	531,408	45,389	7.0%	35.3%	53.2%	4.5%
Commercial Drive	111	9,120,845	1,373,910	94,747	252,168	917,066	109,929	6.9%	18.4%	66.7%	8.0%
Cardero	112	9,053,318	1,147,595	114,536	276,491	675,793	80,775	10.0%	24.1%	58.9%	7.0%
Collingwood	113	10,703,772	1,691,277	139,968	218,176	1,232,188	100,945	8.3%	12.9%	72.8%	6.0%
Broadway & Maple	117	14,099,114	1,812,410	138,872	460,155	1,105,311	108,072	7.7%	25.4%	60.9%	6.0%
Kingsgate Mall	123	7,192,952	1,302,673	78,301	138,185	1,010,556	75,631	6.0%	10.6%	77.6%	5.8%
Thurlow & Alberni	129	16,542,897	1,618,740	152,377	481,548	872,431	112,384	9.4%	29.7%	54.0%	6.9%
Arbutus	136	4,886,818	456,668	58,010	195,143	180,034	23,481	12.7%	42.7%	39.5%	5.1%
Granville & 10th	141	2,479,992	299,624	25,577	86,851	170,635	16,561	8.5%	29.0%	57.0%	5.5%
18th and Cambie	146	4,108,919	525,006	42,179	125,565	323,353	33,909	8.0%	23.9%	61.6%	6.5%
39th and Cambie	160	35,085,194	3,007,696	326,883	980,997	1,517,896	181,920	10.9%	32.6%	50.5%	6.0%
8th & Cambie	177	6,186,872	740,812	63,562	197,832	435,213	44,205	8.6%	26.7%	58.7%	6.0%
Spirits on Robson	190	544,067	26,525	8,758	8,537	7,036	2,194	33.0%	32.2%	26.5%	8.3%
Yaletown	191	2,605,409	270,684	24,387	77,829	150,492	17,976	9.0%	28.8%	55.6%	6.6%
UBC Marketplace	192	377,770	49,406	4,985	8,437	32,869	3,115	10.1%	17.1%	66.5%	6.3%
Champlain Mall	194	1,927,265	272,662	24,974	58,539	172,806	16,343	9.2%	21.5%	63.3%	6.0%
Kerrisdale	210	2,502,562	276,725	25,539	91,630	145,221	14,335	9.2%	33.1%	52.5%	5.2%
Robson Street	233	8,683,989	1,138,441	92,882	245,126	721,913	78,520	8.2%	21.5%	63.4%	6.9%
28th and Main	237	5,035,267	814,412	60,935	104,836	602,156	46,485	7.5%	12.9%	73.9%	5.7%
Broadway & Lillooet	300	5,453,407	927,771	54,376	128,252	706,231	38,912	5.9%	13.8%	76.1%	4.2%
West Vancouver Stores											
Ambleside	072	7,341,862	715,016	83,324	296,681	301,072	33,939	11.7%	41.5%	42.1%	4.7%
Caulfield	175	6,615,817	619,529	57,822	255,319	263,093	43,295	9.3%	41.2%	42.5%	7.0%
Park Royal	228	15,996,234	1,391,416	127,113	576,584	632,178	55,541	9.1%	41.4%	45.5%	4.0%
Whistler Stores											
Whistler Market Place	179	11,093,147	1,218,359	93,085	296,655	758,284	70,335	7.6%	24.3%	62.3%	5.8%
Whistler	302	7,668,725	980,541	91,091	147,016	675,181	67,253	9.3%	15.0%	68.8%	6.9%
White Rock	006	9,927,011	1,192,318	149,098	328,577	624,054	90,589	12.5%	27.6%	52.3%	7.6%
THOMPSON/OKANAGAN											
Armstrong	215	2,388,149	391,761	39,287	39,490	278,359	34,625	10.0%	10.1%	71.1%	8.8%
Ashcroft	002	840,862	156,157	11,460	12,302	122,721	9,674	7.3%	7.9%	78.6%	6.2%
Barriere	138	1,219,464	228,209	16,974	13,952	175,280	22,003	7.4%	6.1%	76.9%	9.6%
Cache Creek	060	1,239,751	210,750	18,702	17,984	148,155	25,909	8.9%	8.5%	70.3%	12.3%
Chase	226	4,070,265	569,866	72,485	72,678	328,446	96,257	12.7%	12.8%	57.6%	16.9%
Clearwater	088	2,189,859	359,082	33,500	33,211	260,534	31,837	9.3%	9.2%	72.6%	8.9%
Clinton	201	1,178,823	215,783	16,516	13,556	170,070	15,641	7.7%	6.3%	78.8%	7.2%
Enderby	049	2,078,309	344,498	35,976	25,986	249,945	32,591	10.4%	7.5%	72.6%	9.5%
Golden	016	3,978,075	595,610	51,420	70,019	436,401	37,770	8.6%	11.8%	73.3%	6.3%

Store Name	Number	Sales		Litre Product Mix				Litre Product Mix Percentage			
		Retail $	Litres	Spirits	Wine	Beer	Cider/ Coolers	Spirits	Wine	Beer	Cider/ Coolers
Kamloops Stores											
Thompson Park	021	2,432,280	349,327	43,730	53,907	226,508	25,182	12.5%	15.4%	64.9%	7.2%
Columbia Place	079	13,139,469	1,692,274	207,826	300,488	994,432	189,528	12.3%	17.8%	58.7%	11.2%
Valleyview	108	4,274,390	623,036	74,869	77,533	398,231	72,403	12.0%	12.4%	64.0%	11.6%
Westsyde	147	1,539,519	279,392	21,983	22,146	216,102	19,161	7.9%	7.9%	77.3%	6.9%
Kamloops North	223	10,941,550	1,746,715	187,053	159,992	1,212,377	187,293	10.7%	9.2%	69.4%	10.7%
Kelowna Stores											
Bernard	020	2,317,308	345,585	32,896	54,144	232,880	25,665	9.5%	15.7%	67.4%	7.4%
Gordon & Harvey	103	5,191,308	805,575	81,549	115,555	554,936	53,535	10.1%	14.3%	69.0%	6.6%
Westbank	143	9,277,533	1,361,352	154,874	195,038	878,510	132,930	11.4%	14.3%	64.5%	9.8%
Mission Park	148	6,902,820	986,646	99,633	189,320	629,768	67,925	10.1%	19.2%	63.8%	6.9%
Orchard Park	167	24,148,078	2,876,440	404,460	551,080	1,507,796	413,104	14.1%	19.2%	52.3%	14.4%
Willow Park	246	5,507,072	956,011	86,509	82,296	726,373	60,833	9.0%	8.6%	76.0%	6.4%
Keremeos	019	1,587,037	289,620	21,734	24,695	221,546	21,645	7.5%	8.5%	76.5%	7.5%
Logan Lake	139	710,314	112,558	12,347	13,316	79,495	7,400	11.0%	11.8%	70.6%	6.6%
Lumby	214	1,893,642	333,200	28,760	22,779	246,640	35,021	8.6%	6.8%	74.1%	10.5%
Lytton	209	616,782	119,330	7,554	9,597	90,544	11,635	6.3%	8.0%	75.9%	9.8%
Merritt	029	4,040,349	678,937	63,033	62,076	472,913	80,915	9.3%	9.1%	69.7%	11.9%
Oliver	069	2,966,764	458,721	51,915	49,531	316,592	40,683	11.3%	10.8%	69.0%	8.9%
Osoyoos	083	4,077,067	622,547	62,675	84,645	404,673	70,554	10.1%	13.6%	65.0%	11.3%
Penticton Stores											
Penticton-Martin St.	039	5,769,552	821,033	99,158	119,984	520,922	80,969	12.1%	14.6%	63.4%	9.9%
Penticton Plaza	130	10,225,050	1,531,490	162,673	223,673	1,001,096	144,048	10.6%	14.6%	65.4%	9.4%
Princeton	037	2,602,021	483,039	34,221	38,041	374,986	35,791	7.1%	7.9%	77.6%	7.4%
Revelstoke	045	3,547,009	505,240	54,948	69,008	335,939	45,345	10.9%	13.7%	66.4%	9.0%
Salmon Arm	048	7,867,835	1,101,059	143,567	148,666	680,655	128,171	13.0%	13.5%	61.9%	11.6%
Sicamous	092	2,163,219	301,853	42,959	31,927	184,896	42,071	14.2%	10.6%	61.3%	13.9%
Summerland	086	3,893,421	665,815	50,477	86,707	485,339	43,292	7.6%	13.0%	72.9%	6.5%
Vernon Stores											
Vernon	062	6,697,409	958,523	114,061	145,608	611,232	87,622	11.9%	15.2%	63.8%	9.1%
Vernon Square	135	11,077,727	1,442,140	209,233	219,725	827,565	185,617	14.5%	15.2%	57.4%	12.9%
Winfield	166	4,152,389	655,737	64,557	84,326	447,920	58,934	9.8%	12.9%	68.3%	9.0%
KOOTENAY											
Castlegar	078	5,106,479	817,289	81,332	93,946	572,431	69,580	10.0%	11.5%	70.0%	8.5%
Cranbrook	009	9,464,980	1,439,607	165,007	165,044	976,354	133,202	11.5%	11.5%	67.7%	9.3%
Creston	075	4,318,710	717,230	67,246	68,074	532,905	49,005	9.4%	9.5%	74.3%	6.8%
Elkford	131	713,926	119,097	12,456	7,089	91,626	7,926	10.5%	6.0%	76.8%	6.7%
Fernie	013	4,281,719	631,645	60,799	77,170	448,733	44,943	9.6%	12.2%	71.1%	7.1%
Fruitvale	095	1,335,257	262,446	15,809	20,553	208,100	17,984	6.0%	7.8%	79.3%	6.9%
Grand Forks	015	3,938,970	648,684	57,016	81,229	447,375	63,064	8.8%	12.5%	69.0%	9.7%
Greenwood	014	426,192	84,712	5,168	4,836	69,182	5,526	6.1%	5.7%	81.7%	6.5%
Invermere	017	5,583,079	816,288	76,501	115,287	536,868	87,632	9.4%	14.1%	65.8%	10.7%
Kaslo	018	1,371,508	251,099	15,356	26,470	190,778	18,495	6.1%	10.5%	76.0%	7.4%
Kimberley	066	3,142,943	494,685	49,215	61,442	347,251	36,777	9.9%	12.4%	70.3%	7.4%
Nakusp	202	1,902,964	342,468	24,887	28,193	266,102	23,286	7.3%	8.2%	77.7%	6.8%
Nelson	032	8,776,823	1,199,159	126,534	218,777	735,481	118,367	10.6%	18.2%	61.3%	9.9%
New Denver	074	520,704	96,043	5,526	10,532	73,067	6,918	5.8%	11.0%	76.0%	7.2%
Radium	245	1,616,475	258,175	21,554	29,099	186,864	20,658	8.3%	11.3%	72.4%	8.0%
Rossland	044	1,779,402	276,357	19,434	48,736	191,146	17,041	7.0%	17.6%	69.2%	6.2%
Salmo	207	992,027	193,902	13,313	9,564	158,175	12,850	6.9%	4.9%	81.6%	6.6%
Sparwood	028	1,388,247	239,214	23,415	13,658	187,412	14,729	9.8%	5.7%	78.3%	6.2%
Trail	051	4,126,034	663,366	61,710	104,084	438,960	58,612	9.3%	15.7%	66.2%	8.8%

Store Name	Number	Sales Retail $	Sales Litres	Litre Product Mix Spirits	Litre Product Mix Wine	Litre Product Mix Beer	Litre Product Mix Cider/ Coolers	Litre Product Mix Percentage Spirits	Litre Product Mix Percentage Wine	Litre Product Mix Percentage Beer	Litre Product Mix Percentage Cider/ Coolers
CARIBOO											
100 Mile House	221	5,684,550	807,888	102,272	119,956	499,599	86,061	12.7%	14.8%	61.8%	10.7%
MacKenzie	106	2,250,394	363,531	39,265	21,942	270,227	32,097	10.8%	6.0%	74.4%	8.8%
McBride	026	813,109	145,764	11,702	8,841	118,079	7,142	8.0%	6.1%	81.0%	4.9%
Prince George Stores											
Hart Highway	114	3,239,692	546,036	54,423	40,002	417,989	33,622	10.0%	7.3%	76.5%	6.2%
10th Avenue	126	9,988,733	1,645,974	163,812	139,028	1,229,155	113,979	10.0%	8.4%	74.7%	6.9%
College Heights	154	3,716,685	631,604	56,310	56,713	478,479	40,102	8.9%	9.0%	75.8%	6.3%
Parkwood Place	174	12,879,410	1,715,444	228,061	268,217	963,679	255,487	13.3%	15.6%	56.2%	14.9%
Quesnel	043	7,357,989	1,018,676	145,954	125,621	632,196	114,905	14.3%	12.3%	62.1%	11.3%
Valemount	096	1,236,895	207,504	15,861	18,240	159,433	13,970	7.6%	8.8%	76.9%	6.7%
Williams Lake	063	8,564,533	1,134,417	169,804	173,983	633,114	157,516	15.0%	15.3%	55.8%	13.9%
NORTH COAST											
Hazelton	227	1,291,374	259,322	14,402	12,278	200,473	32,169	5.6%	4.7%	77.3%	12.4%
Kitimat	213	3,603,579	578,458	55,028	69,365	411,965	42,100	9.5%	12.0%	71.2%	7.3%
Massett	105	1,715,661	300,622	21,358	30,545	228,018	20,701	7.1%	10.2%	75.8%	6.9%
Prince Rupert	035	5,842,077	850,716	98,488	107,863	566,639	77,726	11.6%	12.7%	66.6%	9.1%
Queen Charlotte City	211	1,641,476	275,257	20,847	26,675	211,105	16,630	7.6%	9.7%	76.7%	6.0%
Stewart	047	405,392	65,539	6,710	6,396	48,296	4,137	10.2%	9.8%	73.7%	6.3%
Terrace	052	7,783,528	1,214,556	121,602	148,191	812,741	132,022	10.0%	12.2%	66.9%	10.9%
NECHAKO											
Burns Lake	073	2,288,969	341,820	42,889	32,379	234,621	31,931	12.5%	9.5%	68.7%	9.3%
Fort St. James	248	2,025,438	341,465	33,062	23,053	257,935	27,415	9.7%	6.8%	75.5%	8.0%
Fraser Lake	091	948,086	156,176	15,526	13,823	114,791	12,036	9.9%	8.9%	73.5%	7.7%
Houston	099	1,706,397	269,008	29,682	18,877	193,038	27,411	11.0%	7.0%	71.8%	10.2%
Smithers	046	4,784,338	692,161	76,431	96,586	449,859	69,285	11.0%	14.0%	65.0%	10.0%
Vanderhoof	081	2,437,535	389,901	39,566	38,173	267,566	44,596	10.1%	9.8%	68.7%	11.4%
PEACE RIVER											
Chetwynd	238	2,075,467	352,274	34,316	18,249	267,542	32,167	9.7%	5.2%	76.0%	9.1%
Dawson Creek	212	5,652,815	893,113	99,891	81,657	627,778	83,787	11.2%	9.1%	70.3%	9.4%
Fort Nelson	222	3,873,099	495,105	90,281	33,396	322,110	49,318	18.2%	6.7%	65.1%	10.0%
Fort St. John	003	10,279,686	1,407,007	212,261	117,486	921,336	155,924	15.1%	8.4%	65.4%	11.1%
Hudson Hope	234	621,673	123,029	7,655	5,619	103,720	6,035	6.2%	4.6%	84.3%	4.9%
Tumbler Ridge	169	755,135	116,835	14,552	7,723	84,657	9,903	12.5%	6.6%	72.4%	8.5%
GRAND TOTAL		**1,407,000,056**	**187,863,813**	**20,722,860**	**33,998,809**	**116,245,426**	**16,896,718**	**11.0%**	**18.1%**	**61.9%**	**9.0%**

Appendices

Appendix I: Legislation

Liquor Distribution Act (British Columbia)

The Liquor Distribution Act gives the Liquor Distribution Branch "the sole right to purchase, both in and out of British Columbia, liquor for sale and reuse in British Columbia in accordance with the provisions of the Importation of Intoxicating Liquors Act (Canada)." The act further specifies that the Minister must appoint a general manager, and the general manager is responsible for administering the act, including the general control, management and supervision of liquor stores, subject to the orders, directions and supervision of the Minister. The act further clarifies the powers of the general manager and delineates the administration of the LDB and the operation of its liquor stores.

Liquor Control and Licensing Act (British Columbia)

The Liquor Control and Licensing Act, RSBC 1996, c. 267 (act), establishes the Liquor Control and Licensing Branch (LCLB) and authorizes it to grant licences to establishments to sell liquor by the glass for on-premise consumption (restaurants, pubs, bars, cabarets, etc.) and to licensed retail stores for the sale of liquor for off-premise consumption. The LCLB also issues licences to manufacturers of liquor (wineries, breweries, distilleries) operating in the province and to Ubrews and Uvins. The act also contains general provisions, in the public interest, dealing with the purchase, sale, consumption and use of alcohol in the province including regulations pertaining to minors and intoxicated persons.

Importation of Intoxicating Liquors Act (Canada)

This act governs interprovincial and international traffic in intoxicating liquors in Canada. The act states that no person shall import, or cause to be imported, any intoxicating liquor into any province from or out of any place within or outside Canada. The exceptions include liquor that has been purchased by and is consigned to the government of the province into which it is being imported, or any governmental agency that, by the law of the province, is vested with the right of selling intoxicating liquor. The act also states that any person who contravenes any of its provisions is liable to prosecution and conviction.

Appendix II: Publications

2002-2003 Annual Report (and previous years)

BC Liquor Stores Product Guide (monthly)

HOST: BC Liquor Stores' Guide to Successful, Safe and Stress-free Entertaining (brochure)

Matters of Taste, A Magazine from BC Liquor Stores (quarterly)

Pregnant? Did you know that alcohol can hurt your baby? (brochure)

Quarterly Market Review

Serving You Straight Up (newsletter for licensees)

Supplyline (newsletter for suppliers and agents)

Three Year Corporate Strategy: A Service Plan for Fiscal Years 2003/04 – 2005/06

The Wedding Planning Guide – A Day to Remember (brochure)

Glossary

Agent
An individual, partnership or company representing a supplier in accordance with a letter of authorization accepted by the LDB, or an individual who is duly licensed pursuant to section 52 of the Liquor Control and Licensing Act to represent an authorized agent.

Beer
A low-strength, alcoholic beverage made by fermenting a mash of malted grain, usually barley.

Beverage Alcohol
Any potable liquid containing 0.5 to 99.9 per cent ethyl alcohol by volume.

Beverage Container Stewardship Program
A BC Liquor Stores program whereby empty wine and spirit containers and non-refillable beer, cider and cooler bottles are collected and recycled.

Business Continuity Plans
Plans for the LDB remaining in business following the recovery from a natural disaster or other emergency events. These plans are updated frequently with specific measures and targets for tracking the updates.

Business Objective
A measurable target or goal set out during the LDB's strategic planning process.

Capital Assets
An asset, whether tangible or intangible, intended for use by the LDB for more than a single fiscal year. Tangible assets have a physical identity such as land, buildings and equipment. Intangible assets do not have a physical identity (e.g. goodwill).

Capital Expenditures
Money spent to acquire or upgrade capital assets.

Cider
A beverage made from fermented fruit juice.

Cooler
Also known as refreshment beverages, these mixed, ready-to-serve drinks contain seven per cent or less alcohol by volume. Refreshment beverages contain fruit juice, artificial flavouring, flavouring preparation, water, mineral water and/or carbon dioxide which is added to a base of beer, wine, spirit or cider.

Consignment Agency Store
Stores operated by British Columbia beverage alcohol manufacturers, such as breweries, commercial wineries and distilleries, where the LDB owns the inventory.

Core Products
Those products attaining $2 million or more in annual sales.

Core Services Review
In fiscal year 2001/02, the provincial government made the commitment to conduct a Core Services Review of every ministry, agency, board and commission. The objective was to identify and confirm government's core roles and responsibilities and make sure that the British Columbia government was modern, relevant and affordable. The government also wished to ensure that the most appropriate organizational and service delivery models were being used to best meet the needs of British Columbians – models that at the same time addressed market imperfections, equity and social justice concerns, environmental considerations, and public security and safety imperatives.

Deregulation
One of the requirements of the Province of British Columbia's Three-Year Deregulation Plan is for the branch to reduce the number of administrative and regulatory requirements imposed upon liquor industry stakeholders by administrative policies and governing legislation.

Distillery
Establishments licensed to manufacture distilled liquor products such as whiskey, rum, vodka, gin and liqueurs.

Distribution Centre
A branch-operated warehouse that is used to distribute liquor to government liquor stores. The LDB has one distribution centre in Kamloops, and one in Vancouver.

Draught Beer
Beer that is dispensed from kegs.

Emergency Procedures
The branch has a variety of contingency plans for reaction and recovery following a natural disaster or other emergency event. The plans include employee, customer and stakeholder safety as well as business continuity.

Enterprise Business Intelligence
This is an ongoing technology project which will enable LDB managers and executives to manage efficiencies and maximize revenues through the timely delivery and analysis of business information in a variety of categories.

Fiscal Year
The start and end of the year for business and financial purposes. The LDB's fiscal year runs from April 1 – March 31.

Four Pillars
For the LDB's strategic planning process, strategies and goals were developed around the four pillars of Customer Service, Business Effectiveness, Workplace Quality, and Public Safety and Social Responsibility, which in turn supported Financial Performance.

Government Liquor Store (GLS)
The retailing arm of the LDB, these government-operated liquor stores sell beverage alcohol to the general public. They are also referred to as BC Liquor Stores (BCLS).

Gross Margin
Excess of sales over the cost of the goods sold. Also called gross profit and can be expressed as a percentage of sales.

Gross Sales
The total amount of revenue brought in through sales by the LDB for the corresponding fiscal year.

Independent Wine Store
A stand-alone wine store that sells imported and domestic wine, cider and wine coolers.

Inventory Turnover
Inventory turnover ratio expresses the relationship between the cost of goods sold (or used) and the average inventory balance. It indicates the number of times the average inventory is sold during the year.

Licensee Retail Store (LRS)
Commonly known as cold beer and wine stores, these private outlets are licensed to liquor primary licence holders by the Liquor Control and Licensing Branch to sell wine, beer, cider, coolers and (effective April 2, 2002) spirits, to the public.

Liquor Control and Licensing Branch (LCLB)
In British Columbia, the Liquor Control and Licensing Branch issues licences for manufacturing and selling liquor and supervises the service of liquor in licensed establishments.

Liquor Distribution Branch (LDB)
The government organization, reporting to the Ministry of Public Safety and Solicitor General, responsible for the importation, warehousing, distribution and retailing of beverage alcohol in the province of British Columbia.

Net Income
The total amount of profit that the LDB made in the corresponding fiscal year.

Operating Expenses
Expenses arising in the course of running a business.

Operating Income
Income earned from operations.

Packaged Beer
Any type of beer that is sold in cans or bottles.

Private Wine Store
A private retail store, appointed under the Liquor Distribution Act, that sells wine. Most stores are operated by British Columbia wineries.

Product Recall
The withdrawal of products from sale. All retailers must be prepared for the eventuality of product recall due to identified health and safety related hazards inherent in the product.

Public Safety
The LDB is charged with the responsibility of managing the beverage alcohol distribution and retailing system in such a way that maximum public safety relative to the use of the product is ensured. This includes ensuring beverage alcohol is not sold to minors or intoxicated persons, and that the public is made aware of such areas of risk as alcohol and pregnancy.

Retail Customers
Customers who buy beverage alcohol in government liquor stores. These purchases represent 56.4 per cent of $1,063 million in total sales.

Retail Management System (RMS)
The new point-of-sale system, including cash registers and scanners, used to process transactions in all government liquor stores.

Rural Agency Stores (RAS)
RASs provide retail liquor sales to underserved communities, augmenting liquor retail service in rural and resort communities. In conjunction with or as part of a general merchandise store, they sell all types of beverage alcohol to the public.

Spirit
Any alcoholic beverage that has been distilled. Spirits include whisky, vodka, rum, tequila, gin and brandy.

Stockout Reports
Stockouts happen when the shelf space allocated to a certain core product is found to be empty. The target objective for government liquor stores is zero stockouts.

Strategic Plan
The LDB's three-year corporate plan that sets out business objectives with targets to be met each year.

Supplier
A supplier is a manufacturer who provides beverage alcohol products to the LDB, who must reside in Canada and be duly licensed to manufacture or blend liquor.

Supply Chain Management
Supply Chain Management involves working closely with industry partners to ensure a sufficient supply of core products and intensively managing stock levels of core products to ensure there are no government liquor store shelf stockouts.

Tourist Wine Shop
A tourist-oriented business that sells wines made only from 100 per cent British Columbia-grown grapes. The only tourist wine shop is located at the Victoria Cruise Ship terminal.

Ubrew/Uvin
A business which provides the facilities, equipment and ingredients for patrons to make their own beer, wine, cider or coolers.

Vintners Quality Alliance (VQA)
A quality designation for wines administered by the British Columbia Wine Institute. British Columbia VQA wines are made entirely from grapes grown in British Columbia and are certified by a panel of experts.

Wine
An alcoholic beverage obtained by the fermentation of grapes or other fruit.

Winery Agency Store
A commercial winery appointment that allows their products to be sold off-site at separate British Columbia brewery locations.

Wholesale Customers
Wholesale customers are those stores and licensed establishments that buy beverage alcohol from the LDB for resale. These sales represent 43.6 per cent of total LDB sales.

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